



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 27, 2020

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 2
DEPARTMENT

SUBJECT: LICENSE AGREEMENT WITH QUAIL RUN OWNER, LLC., FOR THE USE OF 17,655 SQUARE FEET OF A PORTION OF CITY-OWNED PROPERTY LOCATED AT 599 CENTRAL AVENUE, ALSO KNOWN AS ASSESSOR'S PARCEL NUMBERS 253-240-009 AND 253-240-029, TO MAINTAIN THE LANDSCAPING, IRRIGATION, AND ELECTRICAL FACILITIES IN LIEU OF FINANCIAL COMPENSATION FOR A TEN-YEAR TERM WITH OPTIONAL FIVE-YEAR EXTENSIONS IN PERPETUITY

ISSUE:

Approve a License Agreement with Quail Run Owner, LLC., for the use of 17,655 square feet of a portion of City-owned property located at 599 Central Avenue, also known as Assessor's Parcel Numbers 253-240-009 and 253-240-029, to maintain the landscaping, irrigation, and electrical facilities in lieu of financial compensation for a ten-year term with optional five-year extensions.

RECOMMENDATIONS:

That the City Council:

1. Approve the License Agreement with Quail Run Owner, LLC., for the use of 17,655 square feet of a portion of City-owned property located at 599 Central Avenue identified by Assessor's Parcel Numbers 253-240-009 and 253-240-029 for a ten-year term with optional five-year extensions in perpetuity; and
2. Authorize the City Manager, or his designee, to execute the License Agreement, including making minor, non-substantive changes, and to execute the optional five-year extensions in perpetuity and sign all documents and instruments necessary to complete the transaction.

BOARD RECOMMENDATION:

On August 24, 2020, the Board of Public Utilities unanimously recommended that the City Council approve the License Agreement with Quail Run Owner, LLC., for the use of 17,655 square feet of a portion of City-owned property located at 599 Central Avenue identified by Assessor's Parcel Numbers 253-240-009 and 253-240-029.

BACKGROUND:

Riverside Public Utilities (RPU) controls the property located at 599 Central Avenue, Riverside, California, also known as Assessor's Parcel Numbers 253-240-009 and 253-240-029. The City uses this property for a substation facility where voltage transformation takes place, commonly known as the La Colina Substation. The entire property is 2.19 acres or 95,396 square feet and is shown in the aerial photo map below. The area highlighted in red is 17,665 square feet and represents the portion of the property that is proposed for the license agreement ("Property").



Aerial map of La Colina Substation (Property)

Quail Run Owner, LLC., with Van Daele Homes (Developer), have built a new housing development adjacent to the Property. The Community & Economic Development Department, in collaboration with RPU, required Quail Run Owner, LLC to landscape the slope and add an ADA sidewalk on a portion of City-owned property to comply with the City's Building and Safety requirements for the new housing development. The sidewalk and switch-back ramping configuration were installed to provide an accessible path of travel from the public right-of-way to the residential development. The developer installed the sidewalk and landscaped the sloped area, which resulted in the encroachment on the Property.

DISCUSSION:

The Developer approached RPU offering to take full responsibility for the maintenance of the landscaping, irrigation, and water facilities for the rear and sides of the Property, as well as upkeep and beautification of the open areas. Having another party take the responsibility of the maintenance cost from RPU benefits the City by eliminating both the maintenance costs and personnel hours that would have to be dedicated to the long-term maintenance of the Property.

The Property consists of 17,665 square feet of sloped terrain behind the La Colina substation. The Property is improved with sidewalks along the rear and side areas around the La Colina Substation. Quail Run Owner, LLC will maintain the landscaping and sidewalks in a clean and orderly condition, while complying with all applicable governing Riverside Municipal Codes, and will follow the Land Maintenance Program, attached to the Agreement and labeled as Exhibit "C", established by RPU. The Licensee assumes all liability within the Property area and will cover the costs for all water usage and electrical power for the irrigation and lighting systems to the Property. The negotiated term of the license is for an initial ten years that may be extended in perpetuity with optional five-year increments by providing written notification from the Licensee to the City with at least six months' notice prior to the expiration of the then current term.

FISCAL IMPACT:

In lieu of financial compensation, Quail Run Owner, LLC, has agreed to be responsible for the maintenance, landscaping, and water facilities located at the site. Landscaping costs are estimated at \$2,320 a year. Water costs are estimated at \$1,680 a year. Weed abatement and tree maintenance are estimated at \$1,300 a year. Total annual savings to RPU is estimated at \$5,300.

Prepared by: David Welch, Community & Economic Development Director
Certified as to availability of funds: Edward Enriquez, Chief Financial Officer /Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Gary G. Guess, City Attorney

Attachment: License Agreement